

OPTIMAX HOLDINGS BERHAD (“OPTIMAX” OR THE “COMPANY”)

- (I) PROPOSED BONUS ISSUE OF WARRANTS; AND
- (II) PROPOSED EMPLOYEES’ SHARE OPTION SCHEME

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

1. INTRODUCTION

On behalf of the Board of Directors of Optimax (“**Board**”), Affin Hwang Investment Bank Berhad (“**Affin Hwang IB**”) is pleased to announce that the Company is proposing to undertake the following:

- (i) Proposed bonus issue of 67,500,000 warrants in the Company (“**Warrant(s)**”) on the basis of one (1) Warrant for every four (4) existing ordinary shares in Optimax (“**Optimax Share(s)**”) or “**Shares(s)**”) held on an entitlement date to be determined and announced later (“**Entitlement Date**”) (“**Proposed Bonus Issue of Warrants**”); and
- (ii) Proposed establishment of an employees’ share option scheme (“**ESOS**”) involving up to 20% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the ESOS for eligible directors and employees of the Company and its non-dormant subsidiaries (“**Proposed ESOS**”).

2. DETAILS OF THE PROPOSALS

2.1. Proposed Bonus Issue of Warrants

2.1.1 Basis and number of Warrants to be issued

As at 28 April 2021, being the latest practicable date prior to the date of this announcement (“**LPD**”), Optimax has a total issued share capital of RM39,071,001 comprising 270,000,000 Optimax Shares.

The Proposed Bonus Issue of Warrants will involve an issuance of 67,500,000 Warrants on the basis of one (1) Warrant for every four (4) existing Optimax Shares held by the shareholders whose names appear in the Company’s Record of Depositors on the Entitlement Date (“**Entitled Shareholders**”).

In compliance with Rule 6.51 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the number of new Optimax Shares which will arise from the exercise of the Warrants will not exceed 50% of the Company’s total number of issued shares (excluding treasury shares and before the exercise of the Warrants) at all times.

Fractional entitlements of the Warrants arising from the Proposed Bonus Issue of Warrants, if any, will be dealt with in such manner as the Board shall in its absolute discretion deem fit and expedient in order to minimise the incidence of odd lots and in the best interest of the Company.

The Entitlement Date will be determined and announced at a later date after all requisite approvals for the Proposed Bonus Issue of Warrants have been obtained. The Proposed Bonus Issue of Warrants will be implemented in a single tranche.

No reserves will be capitalised for the issuance of Warrants under the Proposed Bonus Issue of Warrants.

2.1.2 Basis of determining and justification for the exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The exercise price of the Warrants has been fixed by the Board at RM1.20 per Warrant which represents a discount of approximately RM0.2825 or 19.05% to the theoretical ex-all price of Optimax Shares of RM1.4825 computed based on the 5-day volume weighted average market price (“**5D-VWAMP**”) of Optimax Shares of up to and including the LPD of RM1.5531 per Share.

2.1.3 Listing of and quotation for the Warrants and new Optimax Shares to be issued from the exercise of Warrants

An application will be made to Bursa Securities for:

- (a) the admission of the Warrants to the Official List of Bursa Securities; and
- (b) the listing of and quotation for the Warrants and new Optimax Shares to be issued arising from the exercise of the Warrants on the ACE Market of Bursa Securities.

2.1.4 Salient terms of the Warrants

Terms	Details
Issue size	: 67,500,000 Warrants
Form	: The Warrants will be issued in registered form and constituted by a deed poll to be executed by the Company and as may be supplemented from time to time (“ Deed Poll ”)
Tenure	: 5 years commencing from and inclusive of the date of issuance of the Warrants (“ Issue Date ”)
Exercise Rights	: Each Warrant entitles its registered holder to subscribe for 1 new Optimax Share at the Exercise Price at any time during the Exercise Period, subject to the provisions of the Deed Poll
Mode of Exercise	: The holders of Warrants are required to lodge a subscription form with the Company’s share registrar, duly completed, signed and stamped together with payment by way of banker’s draft or cashier’s order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia or any other mode of payment that may be accepted by the Company at its absolute discretion, for the aggregate of the Exercise Price payable when exercising their Warrants to subscribe for new Optimax Shares. The payment of such fee must be made in Ringgit Malaysia
Exercise Price	: The exercise price of the Warrants has been fixed at RM1.20 per Warrant. The exercise price and the number of outstanding Warrants shall however be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period
Exercise Period	: The Warrants may be exercised at any time during the Tenure of the Warrants commencing from and including the Issue Date and ending at 5.00 p.m. (Malaysian time) on the Expiry Date. Any and all Warrants which have not then been exercised during the Exercise Period will lapse and cease to be valid for any purpose

Terms	Details
Expiry Date	: A date which falls on the day before the 5th anniversary of the Issue Date, provided that if such day falls on a day which is not a market day, then it shall be the market day immediately preceding the said non-market day
Adjustment to the Exercise Price and/or the number of Warrants	: Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants held by each Warrant holder may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company and certified by the auditors of Optimax in the event of an alteration to the share capital of the Company at any time during the Tenure, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll
Status of the new Optimax Shares to be issued from the exercise of the Warrants	: The new Optimax Shares to be issued upon the exercise of the Warrants in accordance with the provisions of the Deed Poll shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants, rank equally in all respects with the then existing Optimax Shares, except that the holders of such new Optimax Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of Optimax, the entitlement date of which is prior to the date of allotment and issuance of the said Optimax Shares
Rights of Warrants holders	: The Warrants holders are not entitled to any voting rights in any meeting of members of the Company or to participate in any form of distribution and/or offer of further securities in the Company until and unless such Warrants holders are allotted and issued with new Optimax Shares arising from their exercise of the Warrants in accordance with the provisions of the Deed Poll
Modification of rights of Warrant holder	: Save as otherwise provided in the Deed Poll, any variation, modification or abrogation of the rights and privileges attached to the Warrants shall require the sanction of a special resolution of the Warrants holders holding or representing not less than 75% of the outstanding Warrants present and voting either in person or by proxy at the meeting convened for the Warrants holders to sanction such purposes. No amendment or addition may be made to the provisions of the Deed Poll without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations or Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant holders. Subject to the approval of Bursa Securities (if required), any modifications to the Deed Poll may be effected only by a supplemental Deed Poll, executed by the Company and expressed to be supplemental to the Deed Poll and comply with the requirements of the Deed Poll
Rights in the event of winding up, liquidation, compromise and/or arrangement	: Where a resolution has been passed by the Company for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:

<u>Terms</u>	<u>Details</u>
	<p>(a) for the purpose of such a winding-up, compromise or arrangement (other than consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holders or some persons designated by them for such purposes by special resolution, are to be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrants holders; and</p> <p>(b) in any other case, every Warrant holder shall be entitled to exercise his/her Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Optimax Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of the Company (which would be available in liquidation) if he/she had on such date been a holder of the new Optimax Shares, to which he/she would have become entitled pursuant to such exercise; and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription/exercise rights of Warrants shall lapse and cease to be valid for any purpose</p>
Board Lot	: The Warrants are tradeable upon listing and quotation in board lot of 100 units of Warrants carrying the right to subscribe for 100 new Optimax Shares at any time during the Exercise Period or such other number of units as may be prescribed by Bursa Securities from time to time
Transferability	: The Warrants shall be transferable in manner provided under the rules of Bursa Malaysia Depository Sdn Bhd and the provisions of the Securities Industry (Central Depositories) Act 1991
Listing	: The Warrants and the new Optimax Shares to be issued upon exercise of the Warrants will be listed, quoted and traded on the ACE Market of Bursa Securities. The listing and quotation of the Warrants on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of Warrants
Governing law	: Laws of Malaysia

2.2. Proposed ESOS

The Proposed ESOS involves the grant of options to subscribe for new Optimax Shares (“**ESOS Options**”) to a director who holds a directorship in an executive capacity and is involved in the day-to-day management of Optimax or any non-dormant company in the Optimax Group (as defined below) (“**Executive Director(s)**”) and employees of any non-dormant company in the Group who meet the criteria of eligibility for participation in the Proposed ESOS as set out in the by-laws governing the Proposed ESOS (“**By-Laws**”) (“**Eligible Person(s)**”). The grant of the ESOS Options to the Eligible Persons shall be subject to such participation in the Proposed ESOS not contravening any foreign laws, regulatory requirements, and/or administrative constraints in the respective countries where Optimax and its subsidiaries (“**Optimax Group**” or the “**Group**”) operates.

The Proposed ESOS will be administered in accordance with the By-Laws by a committee to be appointed and authorised by the Board (“**ESOS Committee**”).

The salient features of the Proposed ESOS are as set out below.

2.2.1 Maximum number of new Optimax Shares available under the Proposed ESOS

The maximum number of new Optimax Shares which may be allotted and issued pursuant to the exercise of ESOS Options shall not exceed in aggregate 20% of the total number of issued shares of the Company (excluding treasury shares, if any) (“**Maximum ESOS Options**”) at any point in time during the duration of the Proposed ESOS.

2.2.2 Maximum allowable allocation and basis of allotment

The aggregate maximum number of new Optimax Shares that may be offered and allotted and issued to an Eligible Person under the Proposed ESOS shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the duration of the Proposed ESOS relating to employees’ and/or directors’ share issuance schemes and after taking into consideration the Eligible Person’s length of service, position, annual appraised performance, contribution, seniority and performance in Optimax Group and such other factors as the ESOS Committee may in its sole and absolute discretion deem fit subject to the following:

- (i) the Executive Director(s) and employees of Optimax Group do not participate in the deliberation or discussion of their own allocation of ESOS Options or allocation of the ESOS Options to persons connected with them;
- (ii) not more than 20% of the total new Optimax Shares available under the Proposed ESOS are allocated to any individual Eligible Person who, either singly or collectively through persons connected with him/her, holds 20% or more of the total number of issued Shares of Optimax (excluding treasury shares, if any). The term “persons connected” shall have the same meaning as that in the Listing Requirements; and
- (iii) not more than 70% of the maximum number of shares available under the Proposed ESOS shall be allocated in aggregate to the Executive Director(s) and senior management personnel of the companies within the Group,

provided always that such allocation is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

The ESOS Committee shall have the sole and absolute discretion in determining whether the granting of ESOS Options to the Eligible Person will be based on staggered granting over the duration of the Proposed ESOS or in one (1) single grant, whether there is any vesting period for the ESOS Options to be granted and if so, the vesting conditions and the discretion to waive any such vesting period and/or vesting conditions. The granting of the ESOS Option(s) whether by staggered or single grant shall be as specified in the offer made by the ESOS Committee to the Eligible Person to participate in the Proposed ESOS in accordance with the By-Laws.

2.2.3 Eligibility

Subject to the discretion of the ESOS Committee, only Eligible Persons who meet the following criteria are eligible to participate in the Proposed ESOS:

- (i) full time employee of any non-dormant company within the Group or Executive Director, who has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

- (ii) full time employee employed on a full time basis and is on the payroll of any non-dormant company within the Group or Executive Director whose employment has been confirmed by any non-dormant company within the Group;
- (iii) employee or Executive Director, serving a specific designation under an employment contract or for a fixed duration (or any other contract as may be determined by the ESOS Committee and has been in the employment of any non-dormant company within the Group for such period as may be determined by the ESOS Committee; and
- (iv) the fulfilment of any other eligibility criteria as may be set by the Board/ESOS Committee at any time and from time to time at its absolute discretion.

However, eligibility does not confer an Eligible Person a claim or right to participate in or any rights whatsoever under the Proposed ESOS and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Option(s) or the new Optimax Shares comprised in the Proposed ESOS unless the ESOS Committee has made a written offer of ESOS Options to the Eligible Person in the manner as set out in the By-Laws (“**Offer**”), and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the By-Laws. The selection of any Eligible Person to participate in the Proposed ESOS shall be at the absolute discretion of the ESOS Committee.

2.2.4 Duration

The Proposed ESOS shall take effect and commence from the date the adviser for the Proposed ESOS confirms in writing to Bursa Securities that the Company has complied with the relevant requirements under the Listing Requirements as set out below (“**Effective Date**”) and shall be in force for a period of five (5) years from the Effective Date (“**Duration**”):

- (i) submission of a final copy of the By-Laws to Bursa Securities pursuant to Rule 6.43 of the Listing Requirements;
- (ii) receipt of the approval or approval-in-principle from Bursa Securities for the issuance, listing of and quotation for the new Shares to be issued pursuant to the Proposed ESOS;
- (iii) procurement of the approval of the shareholders of Optimax in a meeting of members convened for the Proposed ESOS;
- (iv) receipt of approvals of other relevant authorities (if any) whose approval is necessary in respect of the Proposed ESOS; and
- (v) fulfilment of all conditions attached to any of the above mentioned approvals (if any).

On or before the expiry of the Duration, the Board shall have the absolute discretion to extend in writing the Duration (as the Board may deem fit) for up to a maximum of 5 years immediately from the expiry of the original 5-year period provided always that the total duration of the Proposed ESOS shall not in aggregate exceed 10 years from the Effective Date or such longer period as may be permitted by Bursa Securities or any other relevant authorities from time to time. Such extension, if any shall not be subject to further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting.

In the event the ESOS is extended in accordance with the terms of the By-Laws, the ESOS Committee shall furnish a written notification to all Eligible Person who has accepted an ESOS Offer and the Company shall make the necessary announcements to Bursa Securities prior to the proposed extension of the ESOS.

2.2.5 Basis of determining the exercise price

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the exercise price shall be based on the 5D-VWAMP of Optimax Shares immediately preceding the date on which an Offer is made (“**Date of Offer**”). The exercise price shall not be at a discount of more than 10% to the 5D-VWAMP of Optimax Shares preceding the Date of Offer, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the Duration and any extension thereafter (“**ESOS Period**”).

2.2.6 Ranking of new Optimax Shares to be issued arising from the exercise of ESOS Options pursuant to the Proposed ESOS

Eligible Persons who have accepted an Offer (“**Participant(s)**”) will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in the Company until and unless such Participants exercise their ESOS Options into new Optimax Shares.

The new Optimax Shares to be issued arising from the exercise of the ESOS Options shall, upon allotment and issuance, rank equally in all respects with the existing Optimax Shares, except that the new Optimax Shares so allotted and issued will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new Optimax Shares.

2.2.7 Variation to the Proposed ESOS

Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws (“**Variations**”) as it shall in its discretion think fit. The approval of the shareholders of the Company in a general meeting shall not be required in respect of additions, amendments and/or modifications to and/or deletions of the By-Laws provided that no additions, modifications or amendments to or deletions of the By-Laws shall be made which will:

- (a) prejudice any rights which have accrued to any Participant without the prior consent or sanction of that Participant;
- (b) increase the number of Shares available under the ESOS beyond the Maximum ESOS Options; or
- (c) alter any matter which are required to be contained in the By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Participant.

Where a Variation is made to the By-Laws, Optimax shall submit to Bursa Securities the amended By-Laws and a letter of confirmation that the Variation complies with the provisions of the Listing Requirements and the Rules of the Depository pursuant to Rule 2.12 of the Listing Requirements.

2.2.8 Alteration of share capital

In the event of any alteration in the capital structure of Optimax during the ESOS Period, whether by way of rights issue, bonus issue or any other alteration in the capital structure of the Company or otherwise howsoever, the ESOS Committee may, in its discretion, determine whether the exercise price and/or the number of unexercised ESOS Options shall be adjusted, and if so, the manner in which such adjustments should be made.

2.2.9 Retention period

The Shares allotted and issued and/or transferred to a Participant pursuant to the exercise of ESOS Options may be subject to such reasonable retention period or restriction on transfer as may be imposed by the ESOS Committee at its discretion, save as otherwise provided in the Listing Requirements.

2.2.10 Listing and quotation of Shares

An application will be made to Bursa Securities for the listing of and quotation for the new Optimax Shares to be issued arising from the exercise of ESOS Options on the ACE Market of Bursa Securities.

2.2.11 Termination of the Proposed ESOS

Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Proposed ESOS may be terminated at any time by the ESOS Committee during the ESOS Period, without obtaining the approvals or consent from the Participants or the shareholders of the Company provided that the Company makes an announcement immediately to Bursa Securities on, amongst others, the effective date of termination of the Proposed ESOS ("**Termination Date**"), and whereupon any ESOS Options which have yet to be vested, accepted and/or exercised (whether fully or partially) shall be deemed to have been automatically lapsed or terminated (as the case may be) and be null and void on the Termination Date.

3. UTILISATION OF PROCEEDS

3.1 Proposed Bonus Issue of Warrants

The Proposed Bonus Issue of Warrants is not expected to raise immediate funds for Optimax as the Warrants will be issued at no cost to the Entitled Shareholders.

The eventual proceeds to be raised from the exercise of the Warrants (if any) is dependent on the number of Warrants exercised during the tenure of the Warrants. As such, the exact time frame for the utilisation of proceeds is not determinable at this juncture.

For illustrative purpose only, the gross proceeds to be raised upon full exercise of the Warrants based on the indicative exercise price of RM1.20 is approximately RM81.00 million. Such proceeds, if raised, will be utilised for capital expenditure and as additional working capital for the Optimax Group.

The proceeds for capital expenditure will be utilised to establish new specialist centres, and purchase new operation equipment and tools for existing or new specialist centres of the Group for the provision of eye specialist services. The type, location, timing and quantity of these expenditures will depend on the Group management's evaluation of the demand factors and demographic of the Group's customers and potential customers in the vicinity of the eye specialist centres of the Group.

The proceeds for working capital will be utilised to finance the Group's operational expenses which may include, but not limited to, staff costs, payment to trade creditors and general expenses.

Pending the utilisation of proceeds for the above purpose, such proceeds may be placed in deposits with financial institutions or short-term money market instruments. Interest derived from such deposits or gains from such money market instruments will be used as additional working capital for the Group.

3.2 Proposed ESOS

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised during the ESOS Period and the exercise price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options, as and when received, within the tenure of the ESOS Period, will also be utilised for capital expenditure and as additional working capital for the Optimax Group. As such, the exact timeframe for utilisation of the proceeds cannot be determined at this juncture.

The proceeds for capital expenditure will be utilised to establish new specialist centres, and purchase new operation equipment and tools for existing or new specialist centres of the Group for the provision of eye specialist services. The type, location, timing and quantity of these expenditures will depend on the Group's management's evaluation of the demand factors and demographic of the Group's customers and potential customers in the vicinity of the Group's eye specialist centres.

The proceeds for working capital will be utilised to finance the Group's operational expenses which may include, but not limited to, staff costs, payment to trade creditors and general expenses.

Notwithstanding the foregoing, the detailed allocation to each component of the capital expenditure and working capital cannot be determined at this juncture as there is no certainty in the timing and amount to be raised from the exercise of the ESOS Options.

3.3 Details of equity fund-raising exercises undertaken in the past 12 months

3.3.1 Initial public offering ("IPO")

The Company was listed on the ACE Market of Bursa Securities on 18 August 2020 and has raised gross proceeds of RM21.0 million from the IPO. The status of utilisation of proceeds raised from the IPO is as follows:

Purpose	Intended timeframe for utilisation upon listing	Proposed utilisation RM'000	Amount utilised as at the LPD RM'000	Percentage utilised %
Capital expenditure	Within 12 months	10,354	3,111	30.05
Repayment of borrowings	Within 3 months	3,520	3,569	⁽¹⁾ 101.39
Working capital	Within 12 months	3,526	3,530	100.11
Estimated listing expenses	Within 1 month	3,600	3,731	⁽¹⁾ 103.64
Total		21,000	13,941	66.39

Note:

(1) As the actual amount utilised for repayment of borrowings and estimated listing expenses are higher than estimated, the shortfall has been funded out of the Group's internally generated funds.

Save as disclosed above, Optimax has not undertaken any equity fund-raising exercise in the past 12 months before the announcement of the Proposals.

4. RATIONALE OF THE PROPOSALS

4.1 Proposed Bonus Issue of Warrants

After due consideration, the Board is of the view that the Proposed Bonus Issue of Warrants is the most appropriate avenue of rewarding existing shareholders of the Company as the Proposed Bonus Issue of Warrants will:

- (i) reward existing shareholders of the Company for their continuous support by enabling them to participate in convertible securities of the Company in the form of Warrants which are tradeable on Bursa Securities;
- (ii) provide existing shareholders of the Company with an opportunity to increase their equity participation in the Company at a pre-determined price during the tenure of the Warrants;
- (iii) allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and
- (iv) help to strengthen the Company's capital base and shareholders' equity as well as potentially provide Optimax up to RM81.00 million over the next five (5) years as and when any of the Warrants are exercised, without incurring extra financing costs.

4.2 Proposed ESOS

The implementation of the Proposed ESOS primarily serves to align the interests of Eligible Persons to the corporate goals of Optimax Group. The Proposed ESOS will provide Eligible Persons with an opportunity to have equity participation in the Company and help achieve the objectives as set out below:

- (i) to reward and retain the Eligible Persons whose services are considered vital to the Group's operations and sustained growth and profitability of the Group;
- (ii) to retain, motivate and reward the Eligible Persons by allowing them to participate in the profitability of the Company and eventually realise capital gains arising from any appreciation in the value of the Shares;
- (iii) to attract prospective employees with relevant skills and experience to the Group by making the total compensation package more competitive;
- (iv) to align the interests of the Eligible Persons to drive long term financial performance and shareholders' value enhancement via direct participation in the equity of the Company; and
- (v) to instil a sense of loyalty and belonging amongst the Eligible Persons upon vesting of the Shares as they will be able to participate directly in the equity of the Company and thereby provides an incentive for the Eligible Persons to participate more actively in the operations and future growth of the Group and motivate them to further contribute to the growth and success of the Group.

5. EFFECTS OF THE PROPOSALS

5.1 Share Capital

The Proposed Bonus Issue of Warrants and Proposed ESOS will not have an immediate effect on the share capital of Optimax until such time when the Warrants and ESOS Options are exercised. The share capital of Optimax will increase progressively as and when new Optimax Shares are issued arising from the exercise of Warrants and ESOS Options.

For illustrative purposes, the effects of the Proposed Bonus Issue of Warrants and Proposed ESOS on the share capital of Optimax are as follows:

	No. of shares	Share capital (RM'000)
Share capital as at the LPD	270,000,000	39,071
To be issued assuming full exercise of Warrants	⁽¹⁾ 67,500,000	⁽²⁾ 81,000
	<u>337,500,000</u>	<u>120,071</u>
To be issued assuming full exercise of ESOS Options	⁽³⁾ 67,500,000	⁽⁴⁾ 89,775
	<u>405,000,000</u>	<u>209,846</u>
Enlarged issued share capital	405,000,000	209,846

Note:

- (1) Computed based on the total number of issued shares in the Company assuming the Warrants have been fully exercised.
- (2) Computed based on the exercise price of Warrants of RM1.20.
- (3) Computed based on the total number of issued shares in the Company assuming all ESOS Options have been fully exercised.
- (4) Computed based on an illustrative exercise price of ESOS Options of RM1.33, which represents a discount of approximately RM0.1525 or 10.0% to the theoretical ex-all price of Optimax Shares of RM1.4825 computed based on the 5D-VWAMP of Optimax Shares of up to and including the LPD of RM1.5531.

5.2 Net assets ("NA") and gearing

The pro forma effects of the Proposed Bonus Issue of Warrants on the NA and gearing of the Group based on the latest audited consolidated financial position of the Group as at 31 December 2020 are as follows:

	Audited as at 31 December 2020	⁽¹⁾After assuming full exercise of Warrants
	RM'000	RM'000
Share capital	39,071	120,071
Invested equity	-	-
Reserves	8,799	⁽²⁾ 8,549
Total equity attributable to owners of the Company	47,870	128,620
Non-controlling interests	2,351	2,351
Total equity	50,221	130,971
Number of Shares in issue	270,000,000	337,500,000
NA per Share (RM)	0.18	0.38
Total borrowings (RM)	17,655	17,655
Gearing ratio (times)	0.352	0.135

Note:

- (1) *Assuming full exercise of 67,500,000 Warrants into 67,500,000 new Optimax Shares at the exercise price of RM1.20 per Warrant.*
- (2) *After deducting estimated expenses of RM250,000 for the Proposals.*

The Proposed ESOS is not expected to have an immediate effect on the NA per Optimax Share and gearing of the Optimax Group until such time when the ESOS Options are exercised. The effects on the NA per Optimax Share and gearing of the Optimax Group will depend on, among others, the exercise price of the ESOS Options, the number of new Optimax Shares to be issued arising from the exercise of the ESOS Options and the potential impact arising from the adoption of the Malaysian Financial Reporting Standard No. 2 on Share-Based Payment ("**MFRS 2**").

For illustration purposes only, upon exercise of the ESOS Options, the NA per Optimax Share is expected to:

- (i) increase if the exercise price of the ESOS Options is higher than the NA per Optimax Share; or
- (ii) decrease if the exercise price of the ESOS Options is lower than the NA per Optimax Share,

at such point of exercise.

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5.3 Substantial shareholders' shareholding

The Proposed Bonus Issue of Warrants will not have any immediate effect on the substantial shareholders' percentage shareholding in the Company as the Warrants will be allotted on a pro-rated basis to all Entitled Shareholders. However, the number of Optimax Shares held by each substantial shareholder will increase proportionately assuming full exercise of the Warrants. For illustrative purposes, the pro forma effects of the Proposed Bonus Issue of Warrants on the substantial shareholders' shareholdings based on the Register of the Substantial Shareholders' Shareholdings as at the LPD are as follows:

Substantial shareholders Name	As at the LPD				After full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Tan Sri Dato' Tan Boon Hock	72,043,000	26.68	81,276,000	⁽³⁾ 30.10	90,053,750	26.68	101,595,000	⁽³⁾ 30.10
Sena Healthcare Services Sdn Bhd	78,860,000	29.21	-	-	98,575,000	29.21	-	-
Puan Sri Datin Lim Sho Hoo	356,000	0.13	152,963,000	⁽⁴⁾ 56.65	445,000	0.13	191,203,750	⁽⁴⁾ 56.65
Chung Soon Hee	15,360,000	5.69	-	-	19,200,000	5.69	-	-

Note:

(1) Based on the total number of 270,000,000 Shares as at the LPD.

(2) Based on the enlarged total number of 337,500,000 Shares after the full exercise of Warrants.

(3) Deemed interested by virtue of the interests of his children, Tan Sing Yee ("**Sandy Tan**") and Tan Sing Chia ("**Michelle Tan**"), in the Company and his interest in Sena Healthcare Services Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

(4) Deemed interested by virtue of the interests of her spouse, Tan Sri Dato' Tan Boon Hock and her children, Sandy Tan and Michelle Tan, in the Company and her spouse, Tan Sri Dato' Tan Boon Hock's and her interests in Sena Healthcare Services Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

The Proposed ESOS is not expected to have an immediate effect on the substantial shareholders' shareholdings in Optimax until such time when the ESOS Options are exercised. Any potential effect on the substantial shareholders' shareholdings' in Optimax will depend on the number of ESOS Options granted and new Optimax Shares to be issued arising from the exercise of the ESOS Options at any point in time.

5.4 Earnings and Earnings Per Share (“EPS”)

The Proposed Bonus Issue with Warrants is not expected to have any material effect on the consolidated earnings of Optimax for the financial year ending 31 December 2021. However, the EPS of Optimax will be diluted as a result of the issuance of new Optimax Shares from the exercise of Warrants.

The Proposed ESOS is not expected to have any immediate effect on the EPS of the Company until such time when the ESOS Options are granted and exercised. Any potential effect on the EPS of Optimax in the future would depend on the number of ESOS Options granted and exercised, and the exercise price payable upon exercise of the ESOS Options, as well as the impact of MFRS 2.

Under MFRS 2, the potential cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options, which is expected to vest at each Date of Offer and is recognised as an expense in the statement of comprehensive income, thereby reducing the consolidated earnings of Optimax. The fair value of the ESOS Options is determined after taking into consideration, amongst others, the historical volatility of Optimax Shares, the risk-free rate, the exercise price payable upon exercise of the ESOS Options and the time to maturity of the ESOS Options from the vesting date. As such, the impact of the granting of the ESOS Options on the consolidated earnings and EPS of the Company and recognition of the expense cannot be determined at this juncture.

It should be noted that such potential costs arising from the granting of the ESOS Options does not represent a cash outflow but only an accounting treatment. The Board has taken note of the potential impact of MFRS 2 on the Group’s future earnings and shall take into consideration such impact in the allocation and granting of the ESOS Options to Eligible Persons.

The EPS of the Company will however be proportionately diluted as a result of the increase in the number of Optimax Shares after the exercise of the ESOS Options.

5.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities in issue.

6. OUTLOOK AND PROSPECTS

6.1 Overview and outlook of the Malaysian economy

The Malaysian economy recorded a negative growth of 3.4% in the fourth quarter (3Q 2020: -2.6%), largely attributable to the imposition of the Conditional Movement Control Order (“**CMCO**”) on a number of states since mid-October. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity. Nevertheless, the continued improvement in external demand provided support to growth. Consequently, except for manufacturing, all economic sectors continued to record negative growth. On the expenditure side, moderating private consumption and public investment activities weighed on domestic demand. On a quarter on-quarter seasonally-adjusted basis, the economy registered a decline of 0.3% (3Q 2020: +18.2%).

In fourth quarter of 2020, net financing expanded by 4.4% on an annual basis (3Q 2020: 4.6%), supported by the continued expansion of outstanding corporate bonds and loans. Outstanding corporate bond growth increased during the quarter (6.5%; 3Q 2020: 4.3%) due mainly to issuances from Government-related entities and financial institutions. Total outstanding loans recorded 3.7% growth on an annual basis (3Q 2020: 4.7%), with outstanding business loans registering a modest growth (0.9%, 3Q 2020: 2.9%). In level terms, both disbursements and repayments increased mainly for loans for working capital purposes.

(Source: Press release “Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2020”, 11 February 2021, Bank Negara Malaysia)

For Malaysia, the momentum in economic recovery was affected by the resurgence in COVID-19 cases and the introduction of targeted containment measures in several states in the fourth quarter. While there were minimal restrictions on production capacity, the movement restrictions implemented in selected states partly affected domestic demand during the quarter.

For 2021, while near-term growth will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter onwards. The improvement will be driven by the recovery in global demand, turnaround in public and private sector expenditure amid continued support from policy measures including PENJANA, KITA PRIHATIN, 2021 Budget and PERMAI, and higher production from existing and new facilities in the manufacturing and mining sectors. The vaccine rollout from February onwards is also expected to lift sentiments.

The balance of risks remains tilted to the downside, stemming mainly from ongoing uncertainties surrounding the dynamics of the pandemic and potential challenges that might affect the rollout of vaccines both globally and domestically.

(Source: Macroeconomic Outlook, “Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2020”, 11 February 2021, Bank Negara Malaysia)

6.2 Outlook of the healthcare industry in Malaysia

Malaysia’s healthcare system is divided into two highly developed sectors - ‘a government-led and funded public sector, and a booming private sector that has grown substantially in the last quarter of a century. The public sector caters to about 65% of the population, but is served by just 45% of all registered doctors, and even fewer specialists.

Public healthcare is paid by Malaysian citizens through the general taxation of income. As a result, patients only need to pay nominal fees in this heavily-subsidised public sector. However, the nominal fees in this public system are only applicable for Malaysian nationals, and the government doesn’t have a reciprocal healthcare policy with any other country. Foreigners are eligible for public healthcare, so long as they pay additional fees, or they can alternatively opt for private healthcare.

Public healthcare may be the much cheaper option, but private healthcare options do have their advantages, such as faster services as a result of more doctors in the sector who are attracted to the higher salaries and better working conditions.

(Source: Article titled “The Healthcare System in Malaysia”, 2 February 2020, Malaysia Healthcare Travel Council, Malaysia)

Malaysia's healthcare market is expected to grow by 127% to RM127.9 bil in 2027 from the RM56.3 bil in 2017 as the government pushes ahead with higher public healthcare expenditure.

(Source: Article titled "Malaysia's Healthcare Market to Reach RM127.9b by 2027, says Fitch Research, 4 December 2018, The Star Online, Malaysia)

Malaysia's public healthcare is widely regarded as a successful system in delivering equitable and effective healthcare at a relatively low cost. This is achieved entirely through government funding, whereby RM30.6 billion (US\$7.4 billion) was allocated in Budget 2020 towards healthcare development. Private healthcare demand has increased exponentially due to its speedy admissions and world-class quality, so much so that Malaysia has become a leading destination for healthcare tourism.

Private hospital outpatient attendance was recorded at 13 per cent of overall outpatient care provided in the country, and private hospitals command 30 per cent of total hospital admissions. Malaysia recorded 1.26 million healthcare tourist arrivals in 2019 compared to 880,000 in 2014, which is an indication that the country has become a leading choice for foreign patients seeking medical treatment abroad. In addition, the nation has bagged many accolades including winning the fourth successive 'Medical Travel Destination of the Year' award by the International Medical Travel Journal (IMTJ) Medical Travel Awards 2020. Malaysia had big plans for its medical tourism industry in 2020. However, the COVID-19 pandemic strongly impacted the economy, trade and tourism industries in 2020. The Association of Private Hospitals Malaysia reported that the number of patients seeking inpatient treatment at private hospitals dropped by 70 to 80 per cent. With border closures and uncertainties created by the pandemic, the number of medical tourists dropped significantly, and foreign businesses have halted their investment plans. Despite the challenges of COVID-19, MIDA is anticipating that local demand for quality healthcare will drive the demand for a few quality projects in the future.

In these challenging times, the Government continues its commitment to enhancing the quality of healthcare services by providing incentives in 2020 to attract investment in private healthcare facilities. Potential investors can explore numerous incentives introduced under the National Economic Recovery Plan, known by its Malay acronym PENJANA, including an extension of the Domestic Investment Strategic Fund (DISF) to the services sector, PENJANA Smart Automation Grant and full tax exemption and Investment Tax Allowance for companies relocating their projects to Malaysia.

In Budget 2021, the Government allocated RM31.9 billion to MOH, an increase of 4.3 per cent compared to 2020, focusing on empowering its healthcare sector. In addition, the Malaysia Healthcare Travel Council ("**MHTC**") was allocated RM35 million to promote the country's healthcare tourism industry. Over the next five years, MHTC will focus on three key initiatives, namely the Fertility and Cardiology Hubs, the Centre of Excellence for Oncology, and the Flagship Medical Tourism Hospital Programme. MIDA will continue to encourage investment in private healthcare facilities and undertake policy advocacy with relevant stakeholders including MHTC, MOH, MPC and MOF while supporting various healthcare investment promotions.

The Government has given the green light for a medical travel bubble beginning 1 July 2020 with Malaysia Healthcare Travel Council as the agency responsible to facilitate the entry of healthcare travellers. Armed with strong governance and COVID-19 pandemic management methods, Malaysia is strategically positioned to gain a foothold in revitalising the nation's economy by implementing this travel bubble. With strict standard operating procedures in place, travel bubble patients pose minimal risk in the COVID-19 transmission. A majority of these patients tend to suffer from cancer or cardiovascular diseases and seek out Malaysia's affordable world class health services.

(Source: Malaysia Investment Performance Report 2020, issued by the Malaysian Investment Development Authority)

6.3 Future prospects of the Group

In Malaysia, the movement control order (“**MCO 2.0**”) and subsequently the CMCO were reintroduced in the first quarter of 2021 due to the rise in the number of COVID-19 cases. As the restrictions imposed under MCO 2.0 are more relaxed compared to the earlier movement control order (which was introduced on 18 March 2020) (“**MCO 1.0**”), barring any further imposition of MCOs or restrictions, we expect the impact of MCO 2.0 on the Group’s business activities to be less severe as compared to the impact which the Group experienced under MCO 1.0. Nonetheless, the Group is mindful of the health risk posed by the pandemic and have implemented various measures in its business conduct to safeguard and protect its customers and employees.

The Group will continue to undertake and implement its business strategies cautiously to sustain its growth. The Group participates actively in marketing and is also constantly evaluating its operational efficiencies to optimise its cost while maintaining its service quality to its clients.

For the financial year ended 31 December 2020, the Group’s financial performance remained favourable where it reported a full year revenue of RM58.02 million (2019: RM62.62 million) and full year profit after tax and non-controlling interest of RM5.64 million (2019: RM7.83 million). As for the current financial year, the Group will continue to monitor the impact of the COVID-19 pandemic. As a provider of eye specialist services, the Group’s business falls within essential services, and thus, the Group is able to continue operations during the MCO and CMCO period.

The Group will continue to monitor the situation to assess and address the impact of the COVID-19 outbreak and MCO 2.0 on its business and financial condition. While its financial performance continues to be affected during the MCO 2.0, the Group’s management and Board are of the opinion that the Group’s prospects for the financial year ending 31 December 2021 remain favourable.

(Source: Management of Optimax)

7. APPROVALS REQUIRED

The Proposals are conditional upon approvals being obtained from the following:

- (i) Bursa Securities for the:
 - (a) admission of the Warrants to the Official List of Bursa Securities;
 - (b) listing of and quotation for the new Optimax Shares to be issued arising from the exercise of the Warrants and ESOS Options,on the ACE Market of Bursa Securities;
- (ii) shareholders of Optimax for the Proposals at a meeting of members to be convened; and
- (iii) any other relevant authorities or parties, if required.

The Proposals are not conditional upon each other and are not conditional on any other proposals undertaken or to be undertaken by the Company.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders and/or chief executive of the Company and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Bonus Issue with Warrants, other than their respective entitlements as shareholders of the Company, the rights of which are also available to all other existing shareholders of the Company as at the Entitlement Date.

All Executive Directors of the Company (“**Interested Directors**”) are deemed interested in the Proposed ESOS by virtue of their eligibility for the ESOS Options in their capacity as the Executive Directors of the Company in respect of their respective specific allocations and/or allocations to persons connected with them, if any.

Accordingly, Sandy Tan as an Interested Director and Chief Executive Officer of the Company has abstained and will continue to abstain from deliberating and voting on the resolutions pertaining to her allocation of the ESOS Options, and allocations to any persons connected with her under the Proposed ESOS at the relevant Board meetings.

In addition, the Interested Directors will also abstain from voting in respect of their direct and/or indirect shareholdings in Optimax, if any, on resolutions pertaining to their respective allocations of the ESOS Options and allocations to any persons connected with them, under the Proposed ESOS to be tabled at the meeting of members to be convened.

The Interested Directors have undertaken to ensure that persons connected with them will abstain from voting on the resolutions pertaining to their respective allocations of the ESOS Options and allocations to any persons connected with them, under the Proposed ESOS to be tabled at the meeting of members to be convened.

Save as disclosed above, none of the Directors and/or major shareholders and/or chief executive of the Company and/or persons connected with them have any interest, direct and/or indirect, in the Proposed ESOS.

9. DIRECTORS' STATEMENT

The Board, after taking into consideration all aspects of the Proposals, is of the view that the Proposals are in the best interest of the Company.

10. ADVISER

Affin Hwang IB has been appointed as the Principal Adviser for the Proposals.

11. APPLICATION TO THE AUTHORITIES AND ESTIMATED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances, the application to the relevant authorities for the Proposals shall be made within two (2) months from the date of this announcement and the Proposals are expected to be completed by the third quarter of 2021.

This announcement is dated 30 April 2021.